

**Department of the Interior
Asset Priority Index Guidance**

I. Purpose

The purpose of this guidance is to ensure Departmentwide consistency for the Asset Priority index (API) process. This guidance establishes the standard for developing an API framework, determining an API score, interpreting an API score and validating scores.

For the Department of the Interior's (DOI) owned and leased real property assets, the API is a tool that helps provide a clearer link to mission for each existing and proposed asset in the portfolio. This linkage is a result of the prioritization of constructed assets based on the degree to which investments support mission needs and the achievement of strategic goals. As the Department's asset management program and investment management process continues to mature, DOI will continually improve the API process outlined in this guidance, and will continually ensure that investments are aligned with the most current Departmental, bureau, and program missions and strategic goals.

II. Structure of the Guidance

This Guidance is comprised of the following components:

- I. Purpose
- II. Structure of the Guidance
- III. Defining Asset Priority Index;
- IV. Support Mission and Outcome Goals;
- V. Establishing an Asset Priority Index;
 - a. Asset Status
 - b. Mission Dependency
 - c. Substitutability
- VI. Determining an API Score;
- VII. Interpreting the API Score; and
- VIII. Validating API Scores.

III. Defining Asset Priority Index

As described in the DOI AMP, Version 1.2, API is a metric that helps asset managers and stewards assess the priority, or level of importance, of facilities relative to one another. API is a tool that managers can employ in conjunction with other key metrics such as utilization, condition, and operating costs to support portfolio-level decision making that makes the best use of available budgets. It enhances the ability of managers to make the best decisions possible to determine which assets to repair, where and when to build new, if to enter or exit leases, and when to dispose of assets, all within the context of contribution to mission. API is general enough to apply across the Department to all bureaus with their divergent missions, but it is also specific enough to be a substantial aid to each bureau's decision making process.

Executive Order 13327 on Federal Real Property Asset Management requires the prioritization of each agency's assets as they pertain to mission and outcome goals. API, as adopted within

Department of the Interior Asset Priority Index Guidance

DOI, is a tool used in private industry and other government agencies, notably NASA, U.S. Navy, U.S. Air Force. API is to be used to set assets into a goals hierarchy. By knowing which assets are most critical to mission, what asset needs work, and the implications to life-cycle management; managers can more effectively determine what needs immediate attention and what can wait. The API can be a critical tool to aid in determining when to:

- Allocate resources;
- Optimize use of buildings, structures, and land (e.g., collocation, consolidation); and
- Dispose of unneeded assets.

The use of API is a key element to improving funding decisions within DOI regarding the management of an asset portfolio. Understanding the importance of assets relative to one another empowers leadership to make budgetary and programmatic decisions. The ability to prioritize provides management with the ability to align funding and resource allocation with the most valued assets (i.e. those assets that are most mission critical).

DOI's API has two important components that identify priority; mission dependency criteria and asset substitutability. Mission dependency¹ criteria relate an asset's contribution to an organization's individual strategy and values based on Departmental and bureau mission and outcome goals. Asset substitutability is the degree to which a comparable substitute asset exists to fulfill the functional requirements or purpose of that asset. An API rating weights these two components with 80% weighting given to mission dependency and 20% weighting given to substitutability.

IV. Support Mission and Outcome Goals

The Department and bureau mission and outcome goals are the drivers for defining and weighting the API and in developing the Departmental framework for API. The framework is in turn reflected in bureau-specific criteria.

The Department's 2003-2008 Strategic Plan presents Interior from an enterprise perspective, as one entity, with a single over-arching plan driven by cross-cutting programs and multi-bureau and multi-agency goals and objectives. DOI's mission has been organized into four areas of responsibility:

- Resource Protection -- Protect the Nation's natural, cultural and heritage resources;
- Resource Use -- Manage resources to promote responsible use and sustain a dynamic economy;
- Recreation -- Provide recreation opportunities for the public; and
- Serving Communities -- Safeguard lives, property and assets, advance scientific knowledge, and improve the quality of life for communities we serve.

Each of these areas has its own strategic goal, supported by several related end-outcome (i.e., the desired consequences of our actions) goals. Those end-outcome goals, in turn, guide a collection of related programs and services administered by one or more of the Department's bureaus and offices. Likewise, each goal is supported by a broad range of quantitative

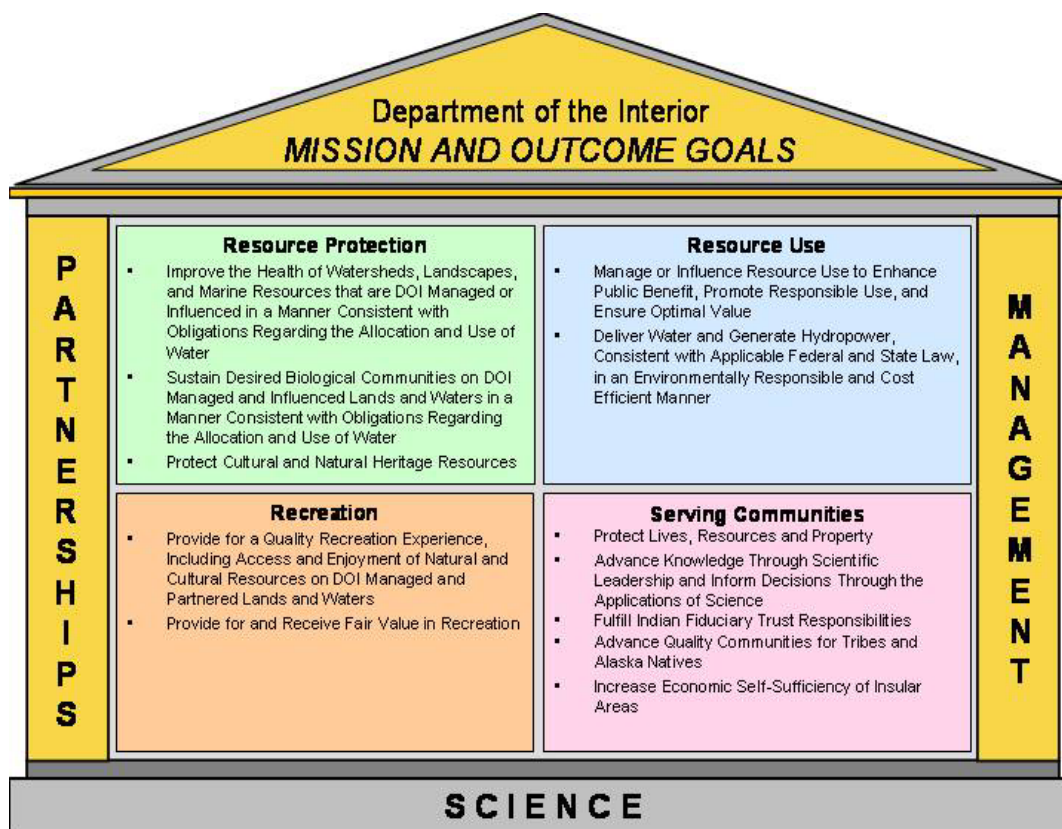
¹ Mission Dependency may also be referred as Asset Criticality.

Department of the Interior Asset Priority Index Guidance

performance measures; intermediate outcome goals and performance targets. Many of the goals of the Department's and bureaus' Strategic Plans address prudent asset management.

DOI has responsibility for making critical resources available to support many facets of the domestic economy while protecting our environment. DOI must serve as a dependable trustee and fulfill our special commitments to American Indians, Alaska Natives, and affiliated Island Communities.

Real property asset management must integrate with and enable mission work using an asset management program and investment management process. This ensures that investments are aligned with Departmental, bureau, and program missions and strategic goals. Assets and investments are prioritized based on the degree to which investments support mission needs and the achievement of strategic goals.



The API is a vital tool for the Department and bureaus to meet goals. It aids managers in assuring that priority assets necessary for the protection of resources are the focus of funding and programming. In doing so, resource use can be maximized as surplus assets are disposed of and attention is centered on the Department's most valuable assets. A management approach that uses API enables bureaus to focus more thoroughly on exactly what is critical to their respective missions and goals.

Department of the Interior Asset Priority Index Guidance

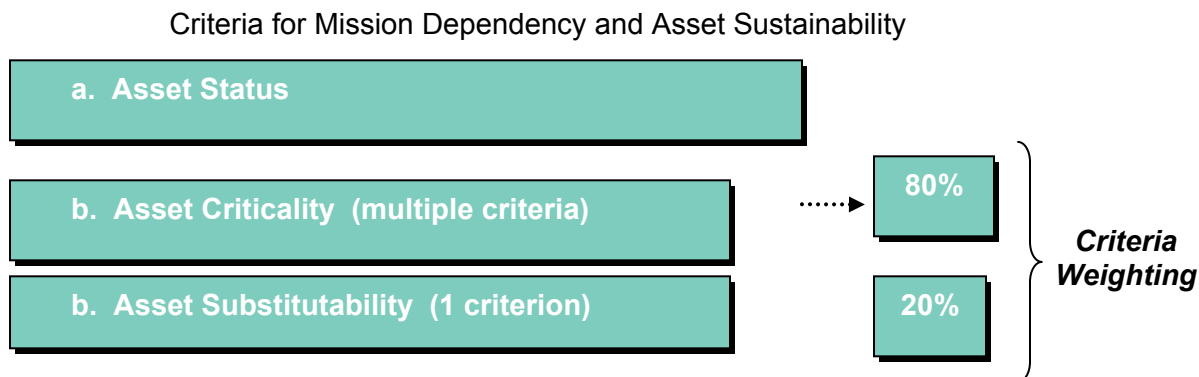
V. Establishing An Asset Priority Index

Standards for API have been developed to guide Interior and bureau-level scoring processes that reflect the mission of each individual organization. API scores are based on a 0-100 point scale. Mission dependency and operations criteria comprise 80 percent of the total weight. Asset substitutability equals 20 percent.

The structure for API within Department and the bureaus is as follows:

- Each Bureau API will have a 0-100 point score that maps to the FRPC-defined categories for mission dependency. API provides each Bureau a guide in determining the relative priority of assets (i.e., mission critical, mission dependent not critical, not mission dependent) and the need to keep and maintain assets necessary to accomplish the overall specific site and Bureau mission. The API rating will provide bureaus with information by which assets with low API ratings may be considered for disposal, while also assisting in targeting funding towards assets with a high API rating.
- 80% of the 100-point score is reserved for criteria that reflect the bureau's unique mission. For example in the National Park Service (NPS), these include visitor satisfaction and resource protection. In the U.S. Geological Survey, they include short and long-term support for scientific goals. All bureaus will include criteria that are appropriate for their mission (education, science, land management, etc.).
- 20% of the 100-point score is reserved for the concept of asset substitutability. Asset substitutability encourages asset managers to consider how "substitutable" an asset may be. For example, if an asset is unique and no comparable facility exists, the asset would receive the maximum score for "no substitute." If there are many similar assets in close proximity, the asset would score lower on asset substitutability.

API will be used with the other FRPC (Federal Real Property Council) performance metrics (condition index, utilization and operation and maintenance cost) as well as other management and resource factors. It is also used in concert with the existing Deferred Maintenance and Capital Improvement Five-Year Plans in which bureaus submit a project data sheet for out-year projects. One of the required elements for the Five-Year Plan is establishing an API score for the project. The chart below is a good example of a basic interpretation of the API.



**Department of the Interior
Asset Priority Index Guidance**

a. Asset Status

The first step in the API process is to classify each asset according to the following three FRPC prescribed asset status categories and then score each asset (unless asset has been “excessed”).

	Definition	Examples
Active	Currently assigned a mission by a bureau.	Any asset that is currently in used or being rehabilitated for a specific use.
Inactive	Not currently being used but may have a future need.	These assets are not occupied but still have potential importance to the bureau mission. Their status will be re-evaluated annually.
Excess	Formally identified as having no further program use of the property by the bureau.	Any asset that requires disposition.

b. Mission Dependency

The criteria for Mission Dependency, a measure of how critical a particular asset’s function is to the activity, allows for the highest possible score of an “80”. A score of “80” indicates an asset is entirely critical to a bureau’s mission. This evaluation is sure to be one of the most disparate among the different bureaus. It is expected that different bureaus will place different criticality measures on assets that serve the same basic function.

Mission Dependency is a variable field that can have any number of components. Depending on the bureau, Mission Dependency may involve mission importance, ability to accommodate change, visitor influence, operations or any of a host of different qualities. It is therefore necessary to make this 80% of the API as perfect a fit as is possible on a bureau-by-bureau basis. Importantly, managers are cautioned not to consider asset condition when scoring assets for API—asset condition is considered separately.

Some potential components of Mission Dependency include:

- Importance to Mission;
- Importance to Resource Protection;
- Importance to Visitor Use;
- Importance to Installation Operations;
- Importance to Program Support – Short Term;
- Importance to Program Support – Long Term;
- Ability of an Asset to Accommodate Program Change;
- Asset Physical Location to Mission Location; and
- Asset Physical Location Impact on Interaction with Stakeholders.

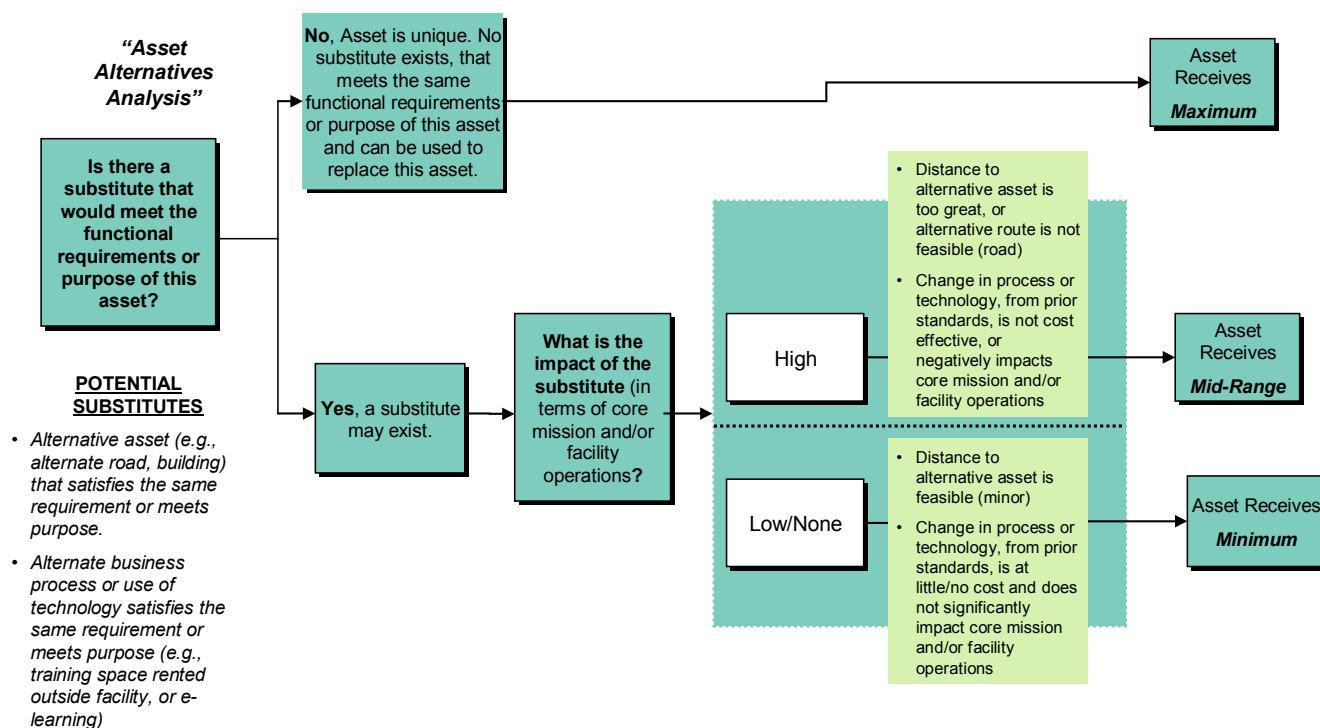
Department of the Interior Asset Priority Index Guidance

c. Substitutability

Substitutability, an ability to satisfy the operational requirements with an alternative, is assigned a maximum of 20 points (to complement the 80 points possible for Mission Dependency) and likely will have less variation of criteria than the Mission Dependency rating. Assets with noteworthy historic significance, whose alternatives would come only at substantial cost, and

assets that fulfill a function that could not be easily fulfilled by any other asset have low substitutability and would score high on this portion of the API. Converse to how the Mission Dependency criteria are scored, low substitutability merits a higher score. The chart below is a good example of the asset substitutability decision framework.

Asset Substitutability: Decision Support Framework



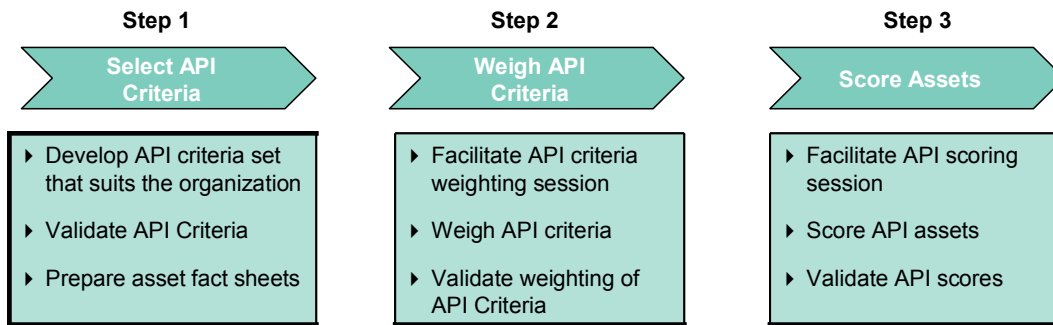
Individual bureaus with their divergent mission and outcome goals will determine their own respective Mission Dependency and Asset Substitutability criteria. However, there is an expectation that the components will be substantiated.

VI. Determining an API Score

To transition to having the full inventory of assets scored with the Asset Priority Index, several steps must be taken. The process of assigning an API score to a facility asset involves three key steps; select the criteria, weigh the criteria, and score assets.

Department of the Interior Asset Priority Index Guidance

The following example portrays implementation of the scoring process.



To provide useful results in the interpretation of the API score, the criteria must exhibit the following characteristics:

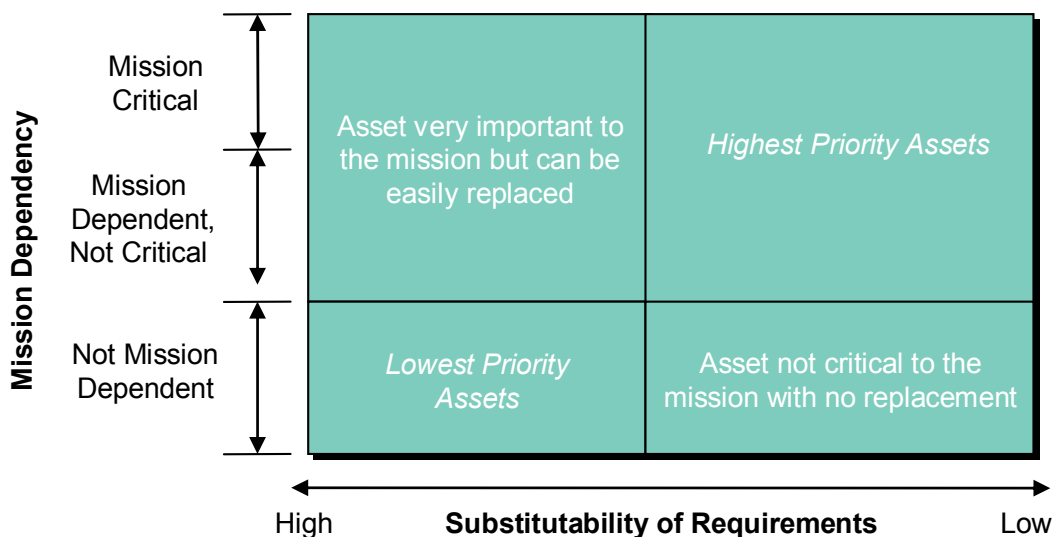
- Must be mutually exclusive and cover all aspects of the bureau mission;
- Must capture what is important to the organization;
- Must have wide acceptance throughout the organization; and
- Must have clear definitions to allow for consistent scoring.

Asset condition is considered separately from API scoring. It is important to keep this in mind and avoid considering asset condition in determining the API for a constructed asset. API is for asset priority only. A high-priority asset that is in poor condition will be attended to in due time if the API is done correctly and budgets are sufficient.

VII. Interpreting the API Score

The following chart illustrates the interrelationship between Mission Dependency and Substitutability.

High and Low Priorities and the API



**Department of the Interior
Asset Priority Index Guidance**

The use of the above chart is strictly to guide asset investment decisions based on priority and condition, and does not dismiss the need to mitigate or address urgent or critical life safety and health deficiencies that pose a threat to the public and employees.

VIII. Validating API Scores

Validation of appropriate use of scoring criteria within an individual bureau or program is a key process that of necessity must include sufficient quality control and quality assurance work to demonstrate that criteria have been applied consistently throughout the organization and are defensible. API scoring of assets should occur at least every 5 years or if the use of the asset changes from the current API functional use to a new application. The organizational hierarchy for validating API scoring of assets is as follows:

- Self validation at the field or facility level;
- Validation at bureau state or regional office level; and
- Random validation at the bureau headquarters level.